

**Senate Taxation Committee
Chairman Senator Jim Elliott**

Senate Bill 553

Revising Incentives for Recruiting Physicians

Chairman Elliott and members of the committee my name is Dick Brown; I am the Sr. Vice President of MHA...An Association of Montana Health Care Providers. Our members provide hospital, nursing home, home health, hospice and other services. In addition to my role at MHA, I have had the privilege of serving on the Montana Rural Physician Incentive Program Advisory Committee since its inception in 1991.

The Montana Rural Physician Incentive Program or MRPIP was established to encourage primary care physicians to practice in rural and medically underserved areas of the state. I would like to thank Senator Black for sponsoring SB553, which will enhance the program and continue to carry out the intent of the original legislation.

I would like to spend a few minutes explaining the role of the advisory committee and how they select physicians for the loan repayment program. There are other proponents who will share additional details about the program.

The Advisory Committee members are appointed by the Commissioner of Higher Education. In addition to Commissioner Sheila Stearns there are currently seven other members on the Advisory Committee.

The committee reviews applications which are jointly made by a physician and an organization or institution (such as a hospital or clinic). The application includes a letter from the local hospital or clinic demonstrating their difficulty with recruitment and retention of primary care physicians; loan verification information from each lending institution the physician has borrowed from; and curriculum vitae of the applicant physician. Laurie Tobol from the Commissioner's office reviews each application to assure that all the required documents are submitted. Only complete applications will be considered by the Committee.

During the course of a year there may be 12-15 applications submitted to the Commissioner's office. The committee meets two or three times each year and generally considers four to five applications each time it meets. Not all applications are approved: some are denied because the applicant would not be serving a rural or medically underserved area; some applicants are completing federal repayment programs so eligibility might be delayed; some are delayed due to incomplete applications; and others might be denied if they do not fit the qualifying criteria.

Rural communities have historically had difficulty recruiting and retaining physicians. The general criteria considered by the Advisory Committee were established with that issue in mind. The ideal profile the committee is looking for is a primary care physician practicing in a rural community of fewer than 8,000 residents and a hospital of fewer than 50 beds. There are exceptions to that profile. The committee has considered nearly 100 applications over the past 14 years, and approximately 80% of those have been approved.

During the 1997 legislative session the Advisory Committee supported a bill to allow the loan

repayment to increase from \$30,000 to its current level of \$45,000. At that time medical education loans were approaching \$50,000. The committee last met in October and all four of the applications reviewed included medical education loans of over \$100,000, in fact two of the loan amounts were over \$200,000. This is the primary reason the Advisory Committee supports an increase in the level of loan repayment for physicians serving rural and medically underserved areas in Montana.

We anticipate the passing of this legislation will increase the number of applicants for the program and possibly increase the number of approved applicants by 30%; without an increase in loan repayment funds it will become increasingly difficult for communities like Plains, Glasgow, Shelby, Red Lodge or 30 others like them to recruit physicians. The physician shortage is not confined to Montana, so any edge we can provide to maintain providers in our rural Montana communities is essential.

There are others here who will discuss the impact of the MRPIP program and the importance of this legislation to further enhance the program.

Thank you for the opportunity to testify on SB553. I will be available for questions.

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